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## **The third round of negotiations of IPEF were held in Singapore**

### **The IPEF**

On May 23, 2022, the Indo-Pacific Economic Framework for Prosperity (IPEF) was launched by 14 countries, including the US, Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and Vietnam. The countries have all committed to collaborate on closer economic integration in innovative ways, which extends beyond just trade. The 14 IPEF partners encompass over half of the world's population as well as account for 40 percent of global GDP and 28 percent of global goods and services trade.

The IPEF aims to advance resilience, sustainability, inclusiveness, economic growth, fairness, and competitiveness for the countries' economies. Through this initiative, the partners seek to contribute to cooperation, stability, prosperity, development, and peace within the region. This will offer tangible benefits that fuel economic activity and investment, promote sustainable and inclusive economic growth, and benefit workers and consumers across the regions.

It is important to note that the IPEF is not a free trade agreement, and it does not specify any market access or tariff reductions. However, some experts believe that it can serve as a foundation for future trade agreements.

### **The Pillars of the IPEF**

The launch has initiated discussions on future negotiations on the following pillars, which are designed to address critical aspects of the region's economic growth and development: (1) Trade; (2) Supply Chains; (3) Clean Energy, Decarbonization, and Infrastructure; and (4) Tax and Anti-Corruption. The IPEF allows flexibility, meaning that partners are not required to participate in all four pillars.

The first pillar, Trade, aims to set higher standards and rules for digital trade, including cross-border data flows.

The second pillar, Supply Chains, focuses on developing resilient supply chains that can withstand unexpected disruptions like the COVID-19 pandemic.

Moreover, the third pillar, Clean Energy, Decarbonization, and Infrastructure, aims to target green energy commitments and projects to promote sustainable economic growth and mitigate the impact of climate change.

Finally, the fourth, Tax and Anti-Corruption, aims to promote fair trade by implementing rules targeting corruption and effective taxation.

Together, these four pillars of the IPEF represent a comprehensive and integrated approach to economic growth and development in the Indo-Pacific region.

**The annunciation of the IPEF and informal discussions**

The Indo-Pacific Economic Framework for Prosperity concept was initially announced by the United States at the East Asia Summit in October 2021.

Afterwards, the United States invited regional partners to engage in informal discussions regarding the development of the Framework. These discussions allowed interested parties to comprehend each other's perspectives on the four pillars and to conduct a full evaluation of the potential opportunities that negotiations may offer.

In a virtual meeting held on July 26 and 27, 2022, the ministers discussed positive progress made by Senior Officials and Chief Negotiators at an in-person meeting in Singapore on July 13 and 14, 2022.

**Agreement on the four Pillars**

Following the IPEF economies agreed the scope of negotiations for all four pillars (Trade, Supply Chains, Clean Economy, Fair Economy) on September 9, 2022.

**First round of negotiations**

The first negotiating round took place in Brisbane, Australia from December 10 to 15, 2022. Between February 8 and 11, 2023, a Special Negotiating Round on the IPEF was held in New Delhi, India, covering the three pillars (Supply Chains, Clean Economy & Fair Economy), which was led by the US Department of Commerce. The USTR-led Trade Pillar was not part of this discussion round.

**Second round of negotiations**

From March 13 to 19, 2023, the second round of negotiations for the Indo-Pacific Economic Framework for Prosperity (IPEF) took place in Bali, Indonesia with the participation of the Office of the USTR and the U.S. Department of Commerce. During the second negotiating round, IPEF Partners discussed the proposed new text and continued discussions from the Brisbane and New Delhi rounds. The aim was to make progress towards a shared vision for an open, connected, prosperous and resilient Indo-Pacific region.

**Third round of negotiations**

The third round of negotiations of IPEF was held from 8 to 15 May 2023 in Singapore, where the IPEF partners effectively facilitated thorough discussions, making significant progress in addressing various issues across the four pillars. The Singapore-hosted IPEF negotiating round serves as the last round before the upcoming IPEF Ministerial in Detroit, Michigan on May 27, 2023. The Ministerial presents a crucial opportunity for ministers to assess the current progress in the four pillars and offer guidance to negotiators, aiming to achieve concrete progress as quickly as possible.

**Are German businesses able to profit from IPEF?**

German companies that have a subsidy in one of the participating countries or produce in the territory of the contracting parties can benefit from IPEF.

**Benefit from free trade agreements**

If you have any questions about the usage of Free Trade Agreements in the Asia-Pacific region, you can contact Mrs. Annika Huck, Divisional Head for Trade Policies (Asia/ASEAN). E-Mail: [annika.huck@sgc.org.sg](mailto:annika.huck@sgc.org.sg)

## Resources

[IPEF overview | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](#)

[Indo-Pacific Economic Framework for Prosperity \(IPEF\) | United States Trade Representative \(ustr.gov\)](#)

[FACT SHEET: In Asia, President Biden and a Dozen Indo-Pacific Partners Launch the Indo-Pacific Economic Framework for Prosperity | The White House](#)

[IPEF: What is the Indo-Pacific framework, who's in it, why it matters \(cnbc.com\)](#)

[Indo-Pacific Economic Framework | Australian Government Department of Foreign Affairs and Trade \(dfat.gov.au\)](#)

[Public Consultation on the Indo-Pacific Economic Framework \(mti.gov.sg\)](#)  
[Joint USTR and U.S. Department of Commerce Readout from the Second Indo-Pacific Economic Framework Negotiating Round | United States Trade Representative](#)

[Joint USTR and U.S. Department of Commerce Readout of Third Indo-Pacific Economic Framework Negotiating Round in Singapore | United States Trade Representative](#)

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